



**NATIONAL HOMEBUYERS FUND (NHF) –  
ACCESS & GOLD 97/7 CONVENTIONAL LOAN PROGRAM**

**I. PROGRAM SUMMARY**

<b>PROGRAM DESCRIPTION</b>	<p>The <b>NHF - Access &amp; Gold 97/7 Conventional Loan Program</b> provides enhanced affordability and homeownership opportunities to borrowers that meet specified income requirements. The program consists of two loans:</p> <ol style="list-style-type: none"><li>1) A 97% LTV fixed-rate first loan (priced by Citimortgage (Access) or Countrywide (Gold))</li><li>2) Up to a 7% fully amortizing, NHF 20-year fixed rate second loan</li></ol> <p>The participating lender draws and funds both the first and second loans. After loan closing, Citimortgage or Countrywide purchases and services both loans.</p>
<b>TARGET MARKETS</b>	<p>This program is intended for all counties in California.</p>
<b>PARTICIPATING LENDERS</b>	<p>Citimortgage or Countrywide Mortgage Corporation's correspondent lenders.</p> <p>Lenders must be approved by Rural Alliance Inc. (RAI), NHF, and Citimortgage and Countrywide Mortgage. Correspondent lenders must submit two original executed Lender Notices of Rate to NHF before loan reservations can be accepted.</p>
<b>BORROWER ELIGIBILITY</b>	<p>Borrowers must meet all of the following requirements:</p> <ul style="list-style-type: none"><li>• Be a U.S. citizen or permanent resident alien</li><li>• Not own any other property at the time of purchase</li><li>• Occupy the property as their primary residence; non-occupant co-borrowers are not allowed</li></ul>
<b>PROPERTY ELIGIBILITY</b>	<p>Properties must meet all of the following requirements:</p> <ul style="list-style-type: none"><li>• Be a single-family, one-unit residence, including approved condo/PUDs (&lt;4 stories)</li><li>• Condos must meet Fannie Mae requirements</li></ul>
<b>DOWN PAYMENT REQUIREMENTS</b>	<p>0%</p>
<b>BORROWER MINIMUM CONTRIBUTION</b>	<p>The borrower must contribute the greater of 1% of the first loan amount, or \$500. Other eligible sources of down payment assistance include gifts from family, secured borrowing, 401(k) loan, grant, pledge or seller contribution.</p>

<b>TRANSACTION TYPE</b>	Purchase transactions only.
<b>MAXIMUM SALES PRICE</b>	None stated.
<b>MAXIMUM LOAN AMOUNT</b>	<u>First Loan:</u> Up to current conforming loan limits <u>Second Loan:</u> 6% of sales price
<b>INCOME LIMITS</b>	Borrower's income cannot exceed 120% of the HUD median income for the area in which the borrower is purchasing. In high-cost areas, the borrower's income cannot exceed 140% of the HUD median income. High-cost counties include: Alameda, Contra Costa, Los Angeles, Marin, Monterey, Orange, Napa, San Benito, San Diego, San Francisco, San Luis Obispo, San Mateo, Santa Barbara, Santa Clara, Santa Cruz, Solano, Sonoma, and Ventura.
<b>MORTGAGE INSURANCE</b>	Mortgage insurance from Mortgage Insurance Services is required on both loans, as follows:  <u>MI Premium Plan #637– First Loan:</u> Coverage: 50% Cost: 1% upfront; renewal is 78 bps, based on the first loan amount Due: Monthly <u>Second Loan:</u> 100%
<b>SELLER CONTRIBUTIONS</b>	Seller contributions are acceptable, up to 3% of the sales price; must be used for non-recurring closing costs only.
<b>BUYDOWNS</b>	Permanent buydowns are allowed; no temporary buydowns.
<b>REPAYMENT OF SILENT SECOND LOAN</b>	N/A
<b>MAXIMUM AVAILABILITY</b>	\$8.75 MM for second loans.

## II. UNDERWRITING CRITERIA

<b>MINIMUM FICO SCORE</b>	Borrowers must have a minimum FICO credit score of 620, or greater. If the borrower(s) do not have FICO scores, they must be qualified according to FNMA's credit score evaluation equivalent guidelines.
<b>RATIOS</b>	Total debt-to-income ratio cannot exceed 41%.
<b>CASH RESERVES</b>	None required.

<b>BORROWER ED. REQUIREMENT</b>	Certification is required that homebuyer education has been completed.
<b>SUBORDINATE FINANCING/ SECOND LOAN</b>	Fully amortizing, NHF 20-year fixed rate second loan.
<b>INCOME REQUIREMENTS</b>	Refer to investor guidelines.

**IMPORTANT DISCLOSURE INFORMATION:**

The information provided in this program description is for guidance only. While we have taken care to provide accurate information, we cannot cover every circumstance nor program nuance. Lenders will need to refer to investor guidelines for specific underwriting and compliance issues. Lenders should also be aware that Mortgage Insurance Services' underwriting guidelines are for mortgage insurance only, and not necessarily the same as restrictions imposed by the investor. The more restrictive guidelines apply. This program description is subject to change from time to time without prior notice.

11/03